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Judge: Kevin Huennekens  
Chapter: 11  
Hearing Location: Richmond, Virginia  
Hearing Date: August 18, 2009  
Hearing Time: 2:00 p.m.  
Response Date: August 10, 2009 (4:00 pml)

7  
8 UNITED STATES BANKRUPTCY COURT  
9 EASTERN DISTRICT OF VIRGINIA

10 In re:  
11 CIRCUIT CITY STORES, INC., ET AL.,  
12 Debtors

Cause No. 08-35653 (KRH)  
Chapter 11

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12 PIERCE COUNTY'S RESPONSE TO DEBTORS OBJECTION TO PIERCE  
13 COUNTY'S CLAIMS AND REQUEST FOR HEARING THEREON (24<sup>TH</sup> AND 27<sup>TH</sup>  
14 OMNIBUS CLAIM OBJECTIONS)

15 **1) Relief Requested**

16 Pierce County requests that this Court deny the debtor's objection to Pierce County's  
17 claims.

18 **2) Argument in Support of Relief Requested**

19 The Debtor mischaracterizes Pierce County's claims as real property tax claims and  
20 object to the claims on that basis. Pierce County asks this Court is asked to examine the  
21 copies of the two claims attached to this brief. Those claims cannot be real property tax  
22 claims and must be personal property tax claims. Three apparent facts support these  
23 conclusions:

24 First: The claims state that they are for property taxes—not real property taxes.  
25

1 Second: The claims state that they are secured by "personal property" pursuant to  
2 RCW 84.60.010 and RCW 84.60.020. Furthermore, the statutes cited cited by Pierce County  
3 as the basis for their secured claim—give Pierce County a superpriority lien in the taxed  
4 property.

5 84.60.010. Priority of tax lien. All taxes and levies which may hereafter be  
6 lawfully imposed or assessed shall be and they ***are hereby declared to be a***  
***lien respectively upon the real and personal property upon which they may***  
7 ***hereafter be imposed or assessed***, which liens shall include all charges and  
8 expenses of and concerning the said taxes which, by the provisions of this title,  
9 are directed to be made. The said lien shall have priority to and shall be fully  
10 paid and satisfied before any recognizance, mortgage, judgment, debt,  
11 obligation or responsibility to or with which said real and personal property  
12 may become charged or liable.

13 84.60.020. Attachment of tax liens. The taxes assessed upon real property,  
14 including mobile homes assessed thereon, and other mobile homes as defined  
15 in RCW 82.50.010 shall be a lien thereon from and including the first day of  
16 January in the year in which they are levied until the same are paid, but as  
17 between the grantor or vendor and the grantee or purchaser of any real property  
18 or any such mobile home, when there is no express agreement as to payment of  
19 the taxes thereon due and payable in the calendar year of the sale or the  
20 contract to sell, the grantor or vendor shall be liable for the same proportion of  
21 such taxes as the part of the calendar year prior to the day of the sale or the  
22 contract to sell bears to the whole of such calendar year, and the grantee or  
23 purchaser shall be liable for the remainder of such taxes and subsequent taxes.  
24 The lien for the property taxes assessed on a mobile home shall be terminated  
25 and absolved for the year subsequent to the year of its removal from the state,  
when notice is given to the county treasurer describing the mobile home, if all  
property taxes due at the time of removal are satisfied. The taxes assessed upon  
each item of personal property assessed shall be a lien upon such personal  
property except mobile homes as above provided from and after the date upon  
which the same is listed with and valued by the county assessor, and no sale or  
transfer of such personal property shall in any way affect the lien for such  
taxes upon such property. The taxes assessed upon personal property shall be a  
lien upon each item of personal property of the person assessed, distrained by  
the treasurer as provided in RCW 84.56.070, from and after the date of the  
distraint and no sale or transfer of such personal property so distrained shall in  
any way affect the lien for such taxes upon such property. The taxes assessed  
upon personal property shall be a lien upon the real property of the person  
assessed, selected by the county treasurer and designated and charged upon the  
tax rolls as provided in RCW 84.60.040, from and after the date of such  
selection and charge and no sale or transfer of such real property so selected

1 and charged shall in any way affect the lien for such personal property taxes  
2 upon such property.

3 (emphasis added).

4  
5 Third: The “value information for 2009 tax” lists the land value as \$0, the  
6 improvements value as \$0, and the total market value as \$511,880. Such a statement could  
7 not apply to a real property tax claim because if the land and improvement values add up to  
8 zero, then the real property value amounts to zero and any real property tax would have to be  
9 zero. The \$511,880 “market value” valuation must apply to property that is something other  
than land and improvements—the only thing that could be is personal property.

10 **3) Conclusion.**

11 This Court should deny the Debtors objection to Pierce County’s claim because Pierce  
12 County has made a personal property tax claim—not a real property tax claim as the Debtors  
13 maintain.

14 Dated this 10<sup>th</sup> day of August, 2009  
15

16 Respectfully Submitted,

17 Dated: August 10, 2009

**VANDEVENTER BLACK LLP**

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5 **CERTIFICATE OF SERVICE**

6 I hereby certify that I have served a copy of this Response to Debtor's Twenty-fourth and  
7 Twenty-seventh Omnibus Objections to Claims to all parties receiving notice via ECF on  
August 10, 2009.

8 /s/ Kevin A. Lake  
9 Kevin A. Lake